INTRODUCTION

This Handbook Section provides guidance to you as the examiner or other supervision staff assigned to work with enforcement actions or the Regulatory Action Data (RAD) system. RAD is the automated record of OTS enforcement activities initiated against institutions and individuals or other entities. It is the source of various internal and external reports on enforcement actions. You must record certain enforcement related information in the RAD system to allow the following actions to occur:

- Regional staff to actively and effectively manage caseloads and fulfill management reporting requirements.

- Washington staff to monitor selected cases and effectively perform oversight functions.

- The Enforcement division of the Office of Chief Counsel to prepare accurate enforcement activity reports, including monthly reports to the public.

- The Press Relations division of the Office of External Affairs to prepare accurate enforcement activity press releases.

- Applications staff to identify actions against individuals or companies with applications currently under review.

- Other OTS staff members to prepare or review reports on enforcement actions as needed.

The RAD System User Guidelines provides detailed instructions for use of the RAD system. Regulatory action data collected in the system includes significant informal enforcement actions and all formal enforcement actions.

Accuracy and Timeliness

Accurate and timely entry of enforcement action data in the RAD System is critical to the integrity of congressionally mandated monthly reporting of enforcement activity and to OTS monitoring and administration of such activity. Supervision and

Enforcement staff must cooperate in reviewing monthly activity reports to ascertain that RAD data is up to date at each month end. The Thrift Information Monitoring System (TIM) provides a variety of reporting options to monitor and test RAD data.

Opening an Action

When OTS takes an enforcement action, you must enter the action into the RAD system and include the following information:

- Thrift or holding company docket number.

- An action code.

- Reason codes.

- *Initiated* date.

- Enforcement order number.

- Docket number of related entity, such as an affiliated thrift or holding company, if applicable.

- Designate whether the action is against a thrift or other entity.

- Comments identifying the target individual or entity and a description of the action.

- Enter the *effective* date of the action once the action takes effect.

Monitoring an Action

Examination and monitoring are a vital source of RAD data. During full scope examinations, you should review an Action History report (TIM EE AH) of all open actions for the docket. During the examination, you must check for compliance. You should note in RAD whether the target of the

action is in compliance with the terms of the action, the date of your review, and any explanatory comments.

Closing an Action

As the activity associated with the action concludes, enter the close code, the close date, and concluding comments. You must enter all dates and supporting information within five working days of the actual event, and the information should be up to date by month end to facilitate accurate reporting. Some actions against individuals such as Part 513, Removal and/or Prohibition, Cease and Desist Order, Enforcement of Orders in U.S. District Court, or Injunctive Action, generally are not successfully closed before the death of the target of the action.

Close Codes

You may close actions with any of the following five close codes in the RAD system:

- AS – successful – when we find the deficiency or problem that it addresses resolved.

- AC – canceled – when we decide not to pursue it.

- AT – transferred – when a change in charter transfers responsibility for the action out of OTS jurisdiction.

- AM – merged – when the thrift disappears due to a merger.

- AD – opened-in-error.

Enforcement Action Codes

An enforcement action is OTS's response to violations of law, regulation, agreement, OTS-imposed conditions, or unsafe and unsound practices. The RAD System User Guidelines and Thrift Activities Regulatory Handbook Section 370, Enforcement Actions, provide more information on enforcement actions. Here is a list of codes for all enforcement action types within the RAD system.

F01	Formal Investigation
F02	Capital Directive
F03A	Suspension of Individuals Charged with Felonies
F03B	Immediate Suspension
F03C	Part 513 Action (suspension of practice before the OTS)
F03D	Notice of Prohibition
F04	Temporary Cease and Desist Order
F05	Removal and/or Prohibition Order
F06	Cease and Desist Order
F07	Civil Money Penalty
F08	Enforcement of Orders in U.S. Court
F09	Injunctive Action
F10	Restitution
F11	PCA Directive
S02	Supervisory Directive (includes §570.2 Determination, Notification, Request)
S03	Director's Resolution
S04	Mortgage Derivative Products and Mortgage Swaps Restrictions
S06	Growth Restriction
S07	Capital Plan
S08	Capital Plan Termination Notice or Modification Request
S10	Exempt Capital Directive
S11	Individual Minimum Capital Requirement Directive
S12A	Commitment Letter
S12B	Memorandum of Understanding
S15	Capital Maintenance Agreement
S17	Supervisory Agreement
S19	Request For Voluntary Management Changes
S20	Marketing Agreement
S21	Consent Merger Agreement
S23	Formal Enforcement Action Waiver
S99	Other Supervisory Action

Reason Codes

You must assign reason codes to identify the types of problems or deficiencies that the action addresses. Reason codes relate actions to examination types. RAD accepts multiple reasons for one action. The TIM system has a reporting option of listing actions limited to one select reason

code, such as actions with a holding company reason code.

Reason Codes:

- Asset Quality

- Capital Adequacy

- Compliance

- Criminal Action Response Under 12 USC § 1829

- Discretionary

- Dismissal

- Earnings

- EDP (Information Systems)

- Historical

- Holding Company

- Increase Capital Above Minimum Capital Requirement (IMCR)

- Liquidity

- Management

- Other

- Presumed

- Sensitivity to Market Risk

- Trust

- Y2K

You can find a more detailed description of these codes in the RAD User Guidelines.

Actions Against Others (Not Thrifts)

OTS may initiate enforcement actions against an institution or an individual or other entity, such as a holding company or affiliate. You must code all actions against any entity that is not a thrift as against an other party and identify the party in the comments. This includes actions against persons, affiliates, holding companies, and subsidiaries. Always code actions against a thrift board of directors as actions against the thrift. Always code actions against individual directors as against others and enter a separate action for each individual. RAD automatically labels all Part 513, Removal or Prohibition, Suspension of Individuals Charged

with Felonies, Immediate Suspensions, and Requests for Voluntary Management Change as actions against others.

For all actions against other parties, you must name the individual or entity in the comments. This allows you to use a word search to locate all actions against the specific individual or entity.

Actions against other entities can remain in effect for years after a thrift has disappeared (for example: investigations, restitutions, and civil money penalties). These actions remain the responsibility of supervision and enforcement staff as long as they are open. You may list inactive docket numbers in a TIM docket file for easy retrieval of RAD data on open actions filed under inactive docket numbers.

Actions Involving Holding Companies

Always code actions involving holding companies under the holding company's docket number, with the holding company reason code, and as against an other entity. Before 1998, RAD listed actions involving holding companies under a subsidiary thrift's docket number. Because holding companies change names and their relationships with thrifts, holding company actions coded under a thrift docket number (before 1998) identified the holding company by name and docket number in the comments. Therefore, you can locate all actions against a holding company by searching for the holding company docket number in a report of actions with the holding company reason code.

Amended or Initial Actions

RAD automatically designates new actions as "Initial." When you modify an action, you must manually designate the action as "Amended" to provide for correct monthly public disclosure of modifications of orders and agreements.

Civil Money Penalties and Restitution

You must report all payments on civil money penalties and restitutions to the OTS Controller. The staff of the Controller's office enters these transactions into RAD to maintain a correct record of outstanding balances. When the balance

reaches zero, you should close the action with the "AS" code for Action Successful. If certain considerations require the action to remain in effect, you should enter the reason in the comments.

REFERENCES

Office of Thrift Supervision

Regulatory Action Data System User's Guide

Regulatory Bulletin Series

RB 18 series Enforcement Policy

United State Code (12 USC)

Federal Deposit Insurance Act

§ 1818(u)(1)(C) Public Disclosure of Final Orders and Agreements